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Merit Saved

Federal Aid Helps Balance Budget, Fund Priorities Without Tax Increases or Massive Cuts

LANSING – Senate Majority Leader Ken Sikkema said Congress’ approval of nearly \$706 million in aid to Michigan – including \$365 million in additional Medicaid funding – means the Merit Award Scholarship will continue to make a college education affordable to tens of thousands of families each year.

Sikkema, R-Wyoming, also said the federal assistance, which Congress approved last week, makes it possible for Republicans and Governor Jennifer M. Granholm to fund their budget priorities without raising taxes or drastic budget cuts.

“Everyone in Michigan wins with this federal aid,” Sikkema said. “This means we can keep our commitment of providing greater access to healthcare to those who cannot afford it and our promise to reward students who work hard and stay in school.”

In the last week, Senate Republicans have outlined plans to generate more than \$100 million a year through the “Driver Responsibility” and “Claim It Correctly” programs. Now that the federal government is helping states cover increased Medicaid costs, the pressure to use Merit Award funding for other purposes no longer exists. Governor Granholm proposed diverting money away from the Merit Award – which comes from Michigan’s share of the federal tobacco lawsuit settlement – and using it to shore up Medicaid funding shortfalls.

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“Merit is saved,” he said. “Now that we have a clear path to balancing Michigan’s budget, we can start tackling the other important issues facing the state – without raising taxes.”

Last month, Senate Republicans starting holding hearings around Michigan to hear first-hand the importance of the Merit Award and to explain why preserving it is a top priority for the GOP majority.